CHAPTER 5
EMPOWERING MARGINALISED WOMEN IN (URBAN) INDIA.

"To awaken the people, it is women who must be awakened, once she is on the move, the family moves, the village moves and the nation moves".

Pandit Jawaharlal Nehru.

"...micro enterprise provides hope and concrete tools for the world’s poorest to improve their own lives and realize the basic dignity of self-sufficiency”.

Colin L. Powell1 U.S. Secretary of State

5.1 Empowerment a conceptual clarification.

The language of empowerment is increasingly being used across the social sciences. It can be found in the literature of management, sociology, health services, politics, as well as international development (Page and Czuba, 1999). In the field of international development, most of the key actors, including government, non-government, and multilateral organizations, has adopted the language of empowerment in their policy and practice (ADB, 2001a; ADB, 2001b; AusAID, 2001; DfID, 2000; World Bank, 2002; World Bank Institute, 2001). In the late 1980s and early 1990s, non-governmental organizations (NGOs) have also taken on an increased role in the area of women’s empowerment (Sadik, 1988). NGO’s, previously catering to women’s health and educational needs, have moved beyond this traditional focus to addressing the underlying causes of deprivations through promoting the economic and social empowerment of women. (McNamara: 2003). Empowerment has a strong focus in

development practice and is used by most development agencies as one of the processes by which poverty can be eradicated (Narayan 2002). Women’s empowerment in this context is about increased range of choices, and the women’s capacity to act on these choices in relation to others in their daily lives (Kabeer 1999).

Empowerment implies expansion of assets and capabilities of people to influence control and hold accountable institution that affects their lives (World Bank Resource Book). Empowerment is the process of enabling or authorizing an individual to think, behave, take action and control work in an autonomous way. It is the state of feelings of self-empowered to take control of one’s own destiny. It includes both controls over resources (Physical, Human, Intellectual and Financial) and over ideology (Belief, values and attitudes) (Batliwala, 1994).

Naila Kabeer (2001) offers an exhaustive definition that effectively reflects the genesis of the contemporary debates on empowerment. She defines empowerment as, ‘The expansion in peoples’ ability to make strategic life choices in a context where this ability was previously denied to them” The definition indicates the expansion in the capability of people that enables them to take decision or to make choices with far reaching consequences which was earlier denied to them.

Empowerment is concerned with the process by which people become aware of their own interests and how they relate to the interest of others, in order to participate from a position of greater strength in decision-making and to actually influence such decisions (Rowlands 1997). The growth of civil society and participatory development methods at the macro and micro levels of the society are usually proposed as the mechanisms by which empowerment takes place. (Friedman 1992, Chambers 1997)

5.1.2 Dimensions used to measure empowerment.

The following table illustrates the various dimensions which can be used for measuring the level of empowerment.

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Table 5.1. Dimensions Commonly used measuring empowerment.

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Household</th>
<th>Community</th>
<th>Broader Arenas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>Women's control over income; relative contribution to family support; access to and control of family resources</td>
<td>Women's access to employment; ownership of assets and land; access to credit; involvement and/or representation in local trade associations; access to markets</td>
<td>Women's representation in high paying jobs; women CEO’s; representation of women’s economic interests in macro-economic policies, state and federal budgets</td>
</tr>
<tr>
<td>Socio-Cultural</td>
<td>Women’s freedom of movement; lack of discrimination against daughters; commitment to educating daughters</td>
<td>Women’s visibility in and access to social spaces; access to modern transportation; participation in extra-familial groups and social networks; shift in patriarchal norms (such as son preference); symbolic representation of the female in myth and ritual</td>
<td>Women’s literacy and access to a broad range of educational options; Positive media images of women, their roles and contributions</td>
</tr>
<tr>
<td>Familial/</td>
<td>Participation in domestic decision-making; control over sexual relations; ability to make childbearing decisions; use contraception, access abortion; control over spouse selection and marriage timing; freedom from domestic violence</td>
<td>Shifts in marriage and kinship systems indicating greater value and autonomy for women (e.g. later marriages, self selection of spouses, reduction in the practice of dowry; acceptability of divorce); local campaigns against domestic violence</td>
<td>Regional/national trends in timing of marriage, options for divorce; political, legal, religious support for (or lack of active opposition to) such shifts; systems providing easy access to contraception, safe abortion, reproductive health services</td>
</tr>
<tr>
<td>Interpersonal</td>
<td>Knowledge of legal rights; domestic support for exercising rights</td>
<td>Community mobilization for rights; campaigns for rights awareness; effective local enforcement of legal rights</td>
<td>Laws supporting women’s rights, access to resources and options; Advocacy for rights and legislation; use of judicial system to redress rights violations</td>
</tr>
<tr>
<td>Legal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Political</td>
<td>Knowledge of political system and means of access to it; domestic support for political engagement; exercising the right to vote</td>
<td>Women’s involvement or mobilization in the local political system/campaigns; support for specific candidates or legislation; representation in local bodies of government</td>
<td>Women’s representation in regional and national bodies of government; strength as a voting bloc; representation of women’s interests in effective lobbies and interest groups</td>
</tr>
<tr>
<td>Psychological</td>
<td>Self-esteem; self-efficacy; psychological well-being</td>
<td>Collective awareness of injustice, potential of mobilization</td>
<td>Women’s sense of inclusion and entitlement; systemic acceptance of women’s entitlement and inclusion</td>
</tr>
</tbody>
</table>

Source: A. Malhotra, S. Schuler, and C. Boender, 2002

In the present thesis the level of empowerment has been analysed in terms of take

5.2 Need for empowerment.

Empowerment was visualized as the elixir of 1990s, as it formed the most effective managerial technique to realize the full potential of every individual. Empowered people believe that they are competent and valued, their jobs have meaning and impact that they have opportunities to use their talents.

According to the Economic and Social Survey for Asia and the Pacific 2007, restrictions to women’s access to employment opportunities cost the region US$42-47 billion a year. A further US$16-30 billion is lost through gender gaps in education. "These are just the economic costs – added to them are social and personal costs,” the Survey said. "Gender discrimination in the region is most visible in the low access women and girls have to education and health services, to economic opportunities and to political participation," the Survey said. Improving women's participation together with the expected increase in employment would lift output and growth across the region. "Increased employment could boost production, especially in labour intensive sectors," the Survey says. Significant gains could also be achieved in Malaysia and Indonesia, but less so for countries, such as China, where female labour force participation is already higher.

According to “The Global Gender Gap Report 2006”, Sweden is the Best performer followed by countries such as Philippines, New Zealand, Sri Lanka and Australia who are among the top best performers in terms of Global index for gender equality (figure 5.1).

Robbins and Fredendal (1995) have proposed a model of empowerment, where they hold that empowerment is the result of employee task assessment (beliefs, attitudes or

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perceptions that motivate behaviour). In addition to these task assessment (i.e. a sense of competence, a sense of impact, sense of choice and a sense of meaningfulness), they suggest that a sense of community also contribute to empowerment. Sense of community is the extent to which an individual perceives his/her role as being a team employer and commitment to a unified set of goals provides a necessary motivation for the activities of self-directed work teams. Self directed work teams contribute to empowerment by developing an individual positive interpretative style and reduces his perception of powerlessness. Since powerlessness gives rise to low self-efficacy empowerment can be defined as process of removing the conditions which cause powerlessness among people.

In India, empowerment of women presupposes a drastic change in the perception and expectation from women in the society. Many of the women believe that certain changes are required for their economic and human development, but are not sure about the quality and quantity of these changes.

Though they are ready for action they have an urgent need for emotional, intellectual and to a certain extent financial support to achieve the goals. Concrete action is required to get these women out of their lethargy, fear, low self efficacy and fatalistic beliefs. They need to be made aware of their capacity to change and develop their potentialities of leadership qualities. Since many of them are isolated from their mainstream of life and lack facilities for self-employment and income generation programs they need to be helped to lead themselves for sustainable development.

Though women empowerment was initiated in India as early as 1972, it is generally recognized that ‘women empowerment’ in the development debate gained further momentum in the light of Grameen Bank experiment in Bangladesh, wherein Muhammad Yunus, provided a small amount of credit (micro-credit) to a group of women that resulted in the enhancement of their socio-economic capabilities (empowerment).
Supporting female entrepreneurship is seen as having important ‘trickle down’ effects on wider poverty alleviation and gender equality. Female managed micro-economies is an effective antidote to the chronic circles of poverty, ignorance and poor health that plagues most of the world’s poor women. They enhance the skills, self-confidence and capabilities of women. It allows them to contemplate higher goals than basic survival. UNDP studies have even shown that where women control cash from such businesses it is more likely to be used in child survival and other human development issues. Micro-credits and small enterprises can contribute to simultaneously achieve economic and social development goals.

The informal sector has the potential to create employment on a daily basis for women at all levels. Micro enterprises have been seen as having particular advantages for women because of the flexibility, location, ease of entry and links with local markets.

Figure 5.1: The gender gap index, 2006

From the above figure we can make out that Philippines is the regional leader, with good performance in all four areas of the index: economic participation and opportunity, educational attainment, health and survival and political empowerment. Sri Lanka and Australia were the only other countries among the top 25. Australia ranked high in education, economic participation and political empowerment, while Sri Lanka scored high in gender equality in health and political empowerment. But almost all South Asian countries, with the exception of Sri Lanka, and the Republic of Korea, were among the bottom 25, with large gender imbalances in economic participation, health and education. There are wide differences among countries of the region in women’s economic participation and political empowerment (figure 5.6). The Philippines is the regional leader in three of the four areas. But gender discrimination is high in most South and South-West Asian countries in economic participation, education and health.

From the figures 5.1 and 5.2 we can make out that India’s position in terms of the gender gap index is among the worst 25 countries. In the light of this the researcher is of the opinion that NGOs can play an important role by co-coordinating with various organizations both at the national and international level.

Figure 5.2: Gender gap indices of selected countries

5.3 Empowerment: focus on poor women.

Mayoux (1999) identified three paradigms that broadly describe the rationale of those development interventions aimed at the empowerment of women.

i. An economic paradigm that promotes development interventions to improve women’s capacity for increasing their income either through employment or micro-
enterprises. This paradigm assumes 'reinforcing spirals' which occur as a result of increased income and economic independence, which in turn lead to social and political change and greater personal empowerment;

ii. A poverty alleviation paradigm which focuses on decreased vulnerability and looks at 'mutually synergistic interests' at the household level. It takes the view that addressing practical needs, such as health or education, is the best way of addressing gender inequality and as a consequence women are empowered; and

iii. A feminist paradigm, which sees empowerment as an 'end'. It addresses gender subordination at the individual, organizational, and macro levels. Economic programs are seen only as an entry point for wider social, political and legal empowerment.

In 1995, The World Summit for Social Development gave central importance to poverty eradication, expansion of production employment, and full participation of the poor in entrepreneurship. The Summit recognized the empowerment of women as a precondition to development more especially as women form a majority of the poor.

In India, the trickle down effects of macroeconomic policies have failed to resolve the problem of gender inequality. Women have been the vulnerable section of society and constitute a sizeable segment of the poverty-struck population. Women face gender specific barriers to access education health, employment etc.

Since women's empowerment is the key to socio economic development of the community; bringing women into the mainstream of national development has been a major concern of government. The ministry of rural development and urban development has special components for women in its programmes.

In this study only one scheme of Ministry of Urban poverty alleviation is under consideration as it involves the promotion of micro-enterprise development among the poor either individually or through groups. The researcher has analysed the implementation of this scheme in the city of Mumbai by highlighting the reach of NGOs in slums vis-a-vis the reach of the government programmes in these slums and the scope for enhancing the role of NGOs by engaging in a partnership model.
5.3 Status of women in India.

Out of the total population of 1027 million in India (2001 census), 495.7 million (48.3%) are women. During 1991, female population was 48%. Sex ratio is 933 in 2001 as against 927 in 1991. Female literacy rate is 54.2 percent in 2001 as against 29.8 in 1981. Life expectancy of females is at 65.3 years in 2001 as against 54.7 years in 1981. The work participation rate of women increased from 19.7 percent in 1981 to 25.7 percent in 2001. Similarly, maternal mortality rate (per lakh female population) decreased from 468 in 1981 to 407 in 2001. All these indicate that the gender indices are gradually improving even though the present levels are still unsatisfactory. To develop the status of women in all spheres and empower them, Govt. of India formulated a comprehensive National Policy for Women in 2001. Similarly Five Years Plans especially the 10th Plan stress on social empowerment, economic empowerment and gender justice. Specific focus on gender based resource allocation is seen from the eight plan onwards.

The Eighth Plan (1992-97) highlighted for the first time a gender perspective and the need to ensure a definite flow of funds from the general developmental sectors to women. The Plan document made an express statement that “....the benefits to development from different sectors should not by pass women and special programmes on women should be complement to the general development programmes. The latter, in turn, should reflect greater gender sensitivity”.

The Ninth Plan (1997-2002) adopted ‘Women Component Plan’ as one of the major strategies and directed both the Central and State Governments to ensure “not less than 30 per cent of the funds/benefits are earmarked in all the women’s related sectors. Special vigil was advocated on the flow of the earmarked funds/benefits through an effective mechanism to ensure that the proposed strategy brings forth a holistic approach towards empowering women.
The Tenth Plan reinforced commitment to gender budgeting to establish its gender-differential impact and to translate gender commitments into budgetary commitments. It aimed at continuing with the process of empowering women by translating the national policy for empowerment into action with a three-fold strategy: economic empowerment, social empowerment and gender justice.

According to UNDP Report 2001, India ranks 105th in Gender Related Development Index. India’s position is below Sri Lanka but is marginally above Pakistan. The indicators giving country-wise situation is presented in Table 5.2.

**Table 5.2 : Status of Women in India – International Comparisons**

<table>
<thead>
<tr>
<th>Hdi rank</th>
<th>Name of the Country</th>
<th>Gender Related Development Index (ghi)</th>
<th>Life Expectancy At Birth (Years)</th>
<th>Combined Primary, Secondary and Tertiary Gross Enrolment ratio (%)</th>
<th>Estimated Earned Income (Ppp Uss)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Rank</td>
<td>Value</td>
<td>Female</td>
<td>Male</td>
</tr>
<tr>
<td>1</td>
<td>Norway</td>
<td>1</td>
<td>0.937</td>
<td>81.3</td>
<td>75.4</td>
</tr>
<tr>
<td>2</td>
<td>Australia</td>
<td>2</td>
<td>0.935</td>
<td>81.7</td>
<td>76</td>
</tr>
<tr>
<td>3</td>
<td>Canada</td>
<td>3</td>
<td>0.934</td>
<td>81.4</td>
<td>75.9</td>
</tr>
<tr>
<td>6</td>
<td>United States</td>
<td>4</td>
<td>0.932</td>
<td>79.7</td>
<td>73.9</td>
</tr>
<tr>
<td>9</td>
<td>Japan</td>
<td>11</td>
<td>0.921</td>
<td>83.1</td>
<td>77.3</td>
</tr>
<tr>
<td>14</td>
<td>United Kingdom</td>
<td>12</td>
<td>0.92</td>
<td>80</td>
<td>75</td>
</tr>
<tr>
<td>17</td>
<td>Germany</td>
<td>15</td>
<td>0.916</td>
<td>80.6</td>
<td>74.3</td>
</tr>
<tr>
<td>55</td>
<td>Russian Federation</td>
<td>52</td>
<td>0.774</td>
<td>72.5</td>
<td>60.1</td>
</tr>
<tr>
<td>77</td>
<td>Maldives</td>
<td>69</td>
<td>0.735</td>
<td>65.3</td>
<td>66.9</td>
</tr>
<tr>
<td>81</td>
<td>Sri Lanka</td>
<td>70</td>
<td>0.732</td>
<td>75</td>
<td>69.3</td>
</tr>
<tr>
<td>87</td>
<td>China</td>
<td>76</td>
<td>0.715</td>
<td>72.5</td>
<td>68.3</td>
</tr>
<tr>
<td>115</td>
<td>India</td>
<td>105</td>
<td>0.553</td>
<td>65.3</td>
<td>62.4</td>
</tr>
<tr>
<td>127</td>
<td>Pakistan</td>
<td>117</td>
<td>0.466</td>
<td>59.5</td>
<td>59.8</td>
</tr>
<tr>
<td>129</td>
<td>Nepal</td>
<td>120</td>
<td>0.461</td>
<td>57.8</td>
<td>58.3</td>
</tr>
<tr>
<td>130</td>
<td>Bhutan</td>
<td>120</td>
<td>0.461</td>
<td>62.8</td>
<td>60.3</td>
</tr>
<tr>
<td>132</td>
<td>Bangladesh</td>
<td>121</td>
<td>0.459</td>
<td>59</td>
<td>58.9</td>
</tr>
<tr>
<td>158</td>
<td>Ethiopia</td>
<td>142</td>
<td>0.308</td>
<td>44.9</td>
<td>43.3</td>
</tr>
<tr>
<td>160</td>
<td>Burundi</td>
<td>145</td>
<td>0.302</td>
<td>41.5</td>
<td>39.6</td>
</tr>
<tr>
<td>161</td>
<td>Niger</td>
<td>146</td>
<td>0.26</td>
<td>45.1</td>
<td>44.5</td>
</tr>
</tbody>
</table>

Source: UNDP 2001

The ILO promotes opportunities for women and men to obtain decent and productive work. The ILO builds on the links between microfinance and Decent Work.
Microfinance makes a powerful contribution to decent work by providing opportunities for small investments in self-employment and job creation. And, through emergency loans, micro-savings and micro-insurance, it provides the means for people to manage risks of living near the subsistence level. These contributions can have considerable impact in the following areas

- Job creation. Microcredit is a key element in promoting self-employment, helping people to start or expand businesses and thereby create jobs.
- Empowerment of women. Microfinance improves women's representation and position within households and communities.
- Reducing vulnerability. Microfinance provides a safety net for the working poor – whether they work for wages or are self-employed.3

5.4 Role of NGOs in empowering women.

Women have been considered to be important engine of growth and development. As the family’s nutritional gatekeeper, women fight hunger and malnutrition. According to Amartya Sen and Jean Dreze, Women’s empowerment can positively influence the lives not only of women themselves but also men and of course those of children.

In order to empower women, it is necessary to provide an expanding network of support services; so that they are freed from their gender related shackles. The Success of Grameen model has proved that women can be influenced to start micro-enterprises. Self-employment is particularly important for women in urban areas, as this type of employment is well suited to their needs. It is important to note that self-employment requires access to capital and entrepreneurial skill; it is in this context that Voluntary organizations can play a proactive role, in improving the quality of life of women

5.5 Various modes of empowering marginalized women.

3 see http://www.ilo.org
5.5.1 Micro-finance

Micro-enterprise and micro-finance development have emerged as major strategies to combat the twin issues of poverty and unemployment that remains a major threat to the economy. Taking up micro-enterprises with the intent of enhancing income levels is a complex issue. This task has to be handled with care in order to ensure that genuine concerns do not lead to failures of micro-enterprises and increased debt burden. Microfinance (MF) has become, in recent years, a fulcrum for development initiatives for the poor, particularly in the Third World countries. It has been practiced in varying forms in different countries and has come to be regarded as an important tool for poverty alleviation. In India the promotional institutions of micro finance are basically of three types, namely:

2. Banks.
3. NGO.

These institutions follow different models for the delivery of micro-finance

1. SHG MODEL
2. GRAMEEN MODEL
3. PARTNERSHIP MODEL

Learning from the success of Grameen Bank - Bangladesh, many NGOs (non-government organizations) in India came forward to promote micro-finance. At present about 1000 NGOs are implementing micro-finance projects in India. Some of them are leading MFIs (micro-finance institutions) playing the role of social intermediation and building social intermediation. The ‘Task Force on Supportive Policy and Regulatory Framework for Micro-Finance’ constituted by NABARD (National Bank for Agriculture & Rural Development) defines “micro-finance as the provision of thrift, saving, credit and financial services and products of very small amounts to the poor in rural, semi-urban and urban areas for enabling them to raise their income levels and improve their standard of living”.

In India, the Task Force mentioned above, has classified these MFIs under three categories as mentioned below:
• Not-for-Profit MFIs: These include Societies registered under Societies Registration Act 1860 or similar State Acts, Public Trusts registered under the Indian Trust Act 1882 and Non-Profit Companies registered under Section 25 of the Companies Act 1956.

• Mutual Benefit MFIs: Such as State Credit Co-operatives, National Credit Co-operatives and Mutually Aided Co-operative Societies (MACS).

• For-Profit MFIs: Bodies like Non-Banking Financial Companies (NBFCs) registered under the Companies Act 1956 and Banks which provide micro finance along with their other usual banking services could be termed as micro-finance service providers of this type.

With a view to appreciating and understanding the issues connected with this, NABARD\(^4\) organised a National Level Consultation Meet on Promotion of microEnterprise among SHG members (March 2004) at Lucknow. Some of the institutions such as Bharatiya Agro Industries Foundation (BAIF), Development for Humane Action (DHAN), Foundation, Shri Kshethra Dharmasthala Rural Development Project (SKDRDP) etc shared their experiences in promotion of micro enterprises among SHG members. The experiences, of the NGOs though mostly were at the pilot stage, highlighted that:

1. It is appropriate to introduce income-generating activities based on known skills, knowledge and resources.

2. It is better to integrate with existing livelihood activities of group members.

3. More emphasis needs to be laid on developing business skills than on providing backward and forward linkages.

4. Micro enterprise development is not a stand-alone activity, but requires a combination of factors to enable growth as a business entity.

5. It is both efficient and cost effective to promote farm sector micro enterprises because backward and forward linkages are locally available.

6. Promotion of non-farm sector activities, particularly those in manufacturing sector, is a challenge for providing market linkages because significant sales

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\(^4\) http://www.nabard.org
turn over is required by each member to earn incomes which are even equivalent of minimum wages or to cross the poverty line.

Based on the deliberations at the conference, four critical issues were identified that needed further introspection:

1. Assessing nature of facilitation required.
2. Entrepreneurship development & skill building and role of technology.
3. Linking to local and distant markets.

The emphasis of support under micro-finance is on the poor in ‘pre-micro-enterprise’ stage for building up their capabilities to handle larger resources. This perception is quite significant, keeping in view the limitations of any approach of micro-enterprise development to help the poorest of the poor for self-employment (Awasthi, 1994).

Shah (1996) emphasized the importance of developing NGOs as change agents. For NGOs, it is also a shift in approach from development to empowerment wherein they can plan their withdrawal strategy from service delivery projects and think of their own sustainability by providing financial services.

NGOs are playing an important role as catalyst in helping the rural unemployed persons to acquire training through MEDPs (Micro-Enterprise Development Programmes) so that they can become self-employed by starting their enterprises. NGOs in India have adopted the approach of micro-enterprise development through micro-finance.

5.5.2. Micro-enterprise movement: The economic growth paradigm

There is growing evidence of a significant causal relationship between entrepreneurship, economic growth and poverty reduction. Frequently, small, micro and medium-sized enterprises (SMMEs) offer the only employment available to millions of poor people. According to the Global Entrepreneurship Monitor (GEM), in
the 29 countries surveyed in 2001, almost 150 million people are engaged in some form of entrepreneurial activity.

Targeting women in micro-enterprise development is seen as an important strategy for economic growth. The micro enterprise movement, both internationally and domestically has been viewed as an important economic development strategy for economic growth. This paradigm is based on the premise that gender discrimination is an economic phenomenon and, therefore, the generation of employment and income through micro-enterprises would empower women. At the same time women's enterprise development has been seen as making a positive contribution to individual economic empowerment and improving women's wider social and political position. Micro enterprise development projects can serve four major objectives: (i) poverty reduction; (ii) the empowerment of women; (iii) employment generation; and (iv) enterprise development as an end in itself (ADB 1997)

Micro-enterprise can be defined as a tiny business usually with one owner started by the poor in cities, towns and villages, commencing with minimal investment and not requiring a formal establishment. Owners of micro enterprises do not generally use formal financial institutional channels for credit or any other financial transactions. Employees, if any, are usually or family members who are easy to monitor.

Entrepreneurship is a Herculean task which needs to be fraught with struggle, entailing both risks and profit. Women have to go through certain stages in setting up an enterprise and face challenges, irrespective of gender-based social impediments like social stigma, unfavourable infrastructure, support systems, etc., which block their entry and reduce their pace of growth. Removing these impediments to the existing set-up of micro-enterprise development has assumed a critical significance for the economic development of women. The need today is to help women overcome these blockades and draw maximum participation from them to set up micro-enterprises, which will help them, achieve self-reliance, and ultimately empower them and place
them at par with their male counterparts in all spheres of life. Micro-enterprise development is seen as contributing to a process of empowerment through enhancing women's productive role and enabling them to challenge inequities within the household, and as a very useful entry point for wider mobilisation. To make EDP successful and effective, the role of the NGOs has significant importance in terms of identification of place or location, pre-promotional activities, selection of potential entrepreneurs, entrepreneurial training, monitoring and follow-up mechanism.

5.5.2.1 Institutions involved in providing Micro enterprise Development.

Micro-enterprises are a large, growing and very dynamic element of the economies of developing countries. [...] A thriving microenterprise sector generates output, employment and incomes and strengthens intersectoral linkages leading to more integrated, resilient economies and balanced growth. It also promotes more broad-based participation - particularly by the poor and by women - in productive activities, leading to more equitable distribution. (OECD 1995)

Some NGOs like SEWA, AMM, WWF, are involved in the national planning process and international debates on the issue of self-employment. It addresses national issues as such as the impact of structural adjustment policies, services, pricing policies and subsidies. Over-riding all these interventions is a desire to increase the visibility of self-employed women. (Bhatt Ela, 1989). Through producer co-ops, SEWA also deals with various local-level issues such as police harassment, law enforcement, by-laws and legal permits. Micro-enterprise is often a last alternative for individuals who would prefer the security, higher wages and better working conditions of wage employment (Mayoux, 1995). While micro-enterprises are a source of livelihood for a large portion of the population, they can also involve some of the worst working conditions, including lower wages inadequate lighting and sanitation. However, some NGOs in India have adopted the “Fair Trade” Mode and have provided adequate working conditions to the micro-entrepreneurs. Some NGOs are also involved in the process of encouraging policy changes to benefit the poor. For example NGOs like,
SMS and Janagraha (Bangalore) are in the process of influencing government policy and making government services more accessible to the poor. Some argue that micro-enterprise support may not be of benefit to those who need it most.

5.5.2.2 Business development services for micro-enterprise development

Table 5.3: Profile of NGOs engaged in provision of Business Development services

<table>
<thead>
<tr>
<th>NGO</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grass root Trading network in India(GTN)</td>
<td>The Government of India and SEWA are the promoters of GTN. Its mission is to strengthen, support, and expand market opportunities for Grassroots Producer Organizations (GPOs) with a particular focus on women. GTN caters to GPOs working in the fields of handicrafts, handlooms, agriculture or industrial accessories (low-technology, labour-intensive factory products). Through trade facilitation, market development and advocacy, GTN seeks to build livelihoods and expand the benefits of globalization to poor producers worldwide.</td>
</tr>
<tr>
<td>International resources for fairer Trade(IRFT).</td>
<td>It is a membership based non-profit support organization established in 1995, as a part of Traidcraft (UK) initiative to expand its work in India. Its mission is to impact poverty and unemployment through fair trade. IRFT seeks to achieve this by encouraging sustainable development of the enterprises in which poor are involved through increased business growth and improved productive capacities. It has initiated SARTHEE - Developing Pro poor Business Counseling Services in India, with an aim to provide support to Business Development Services (BDS) providers to develop high quality, effective business counseling services for pro-poor Micro and Small Enterprises (MSEs).</td>
</tr>
<tr>
<td>SEWA Trade Facilitation Center</td>
<td>It entered in to a Memorandum of Co-operation with Export-Import Bank of India on 24th August, 2006. The objective of enter into co-operation is to promote export of STFC and considering EXIM Bank’s initiatives in supporting exports from rural India. STFC and EXIM BANK will cooperate with each other in activities such as product promotion and market promotion in overseas market. EXIM bank will also explore equity participation and loan service in STFC. With this, the export share of STFC will increase by 30%.</td>
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In this study the researcher come across a wide variation in BDS provided to Micro-entrepreneurs. NGOs should provide better MED support services by developing their...
own capacity or collaborating with Grassroot Trading network and IRFT\(^5\), Academic institutes (like IIT, NMIMS)\(^6\), JSS\(^7\), Corporate houses for outsourcing their requirements and approach entrepreneurship development Institutes such as EDI\(^8\), MITCON and MCED

### 5.5.2.3 Experiences of NGOs, GONGOs and CSR initiatives in Micro-enterprise development

Successful case studies of NGOs involved in enterprise development NGOs working for empowering women in India through Micro-enterprise - Research documents that microenterprise development run by the self-employed is an important option for the low income, unemployed, underemployed, disadvantaged society, especially in rural and urban areas (Bates and Servon, 2000; Blair and Klein, 2001; Clark and Huston, 1993; Clark and Kays, 1995 and 2000; Dobson, 2002; Servon, 1998). Several main reasons for why low income seek self employment include they need a job (poverty alleviation), an additional source of income (supplemental to wage work), or are creating a job for themselves and others in the community in areas where wage employment availability is low or the quality and pay of jobs available is poor. (Clark and Huston, 1993; Blair and Klein, 2001). Furthermore, low income persons seek microenterprise development programs because they cannot obtain technical skills and assistance and loans/credit from mainstream organizations. (Bates and Servon, 2000; Clark and Huston, 1993; Clark and Kays, 1995 and 2000; Servon, 1998). Self-employment also builds on existing skills and people love the kind of work their business requires (Clark and Huston, 1993; Blair and Klein, 2001).

\(^5\) For example IIT design institute provided training to Bamboo traders of Bhoiwada who were the beneficiaries of YUVA NGO based in Mumbai. Similarly NMIMs assists NGOs in Social Enterprise Development.

\(^6\) Jan srva Shikshan abhiyan for imparting vocational training

\(^7\) EdI conducts a four week training programme to train trainer motivators deputed by NGOs. This training programme equips the trainer with necessary skills to carry out the MED activity in different parts of the country.
1. **Association of Women Entrepreneurs of Karnataka (AWAKE)**. (AWAKE) was founded in 1983, it has many innovative activities to its credit. Its major functions have been as follows: Business Counselling, Training, Resource and Research Centre, Awake Marketing Service (AMC), Rural Entrepreneurship Programmes. AWAKE works towards empowering women through entrepreneurship development to improve their economic condition. Their “Entrepreneur guiding Entrepreneur” approach empowers women through voluntary efforts of successful women entrepreneurs adopting tools of counseling, training, handholding and peer-group support.

2. **ALEAP**. It is another emerging association is the Association of Lady Entrepreneurs of Andhra Pradesh (ALEAP). It conducts awareness programmes and entrepreneurship development programmes for various segments. As a result of its efforts many outlets have been developed and managed by women entrepreneurs.

3. **FOOD** - "The Foundation of Occupational Development (FOOD), based in Chennai, India, began the Inter-City Marketing Network project in April 2001 to help poor women in urban areas increase their incomes. FOOD worked initially with some 100 existing women’s self help groups representing between 1,000-2,000 women and their families. An initial survey of these groups indicated that while many women derived a small income from producing goods at home (food products, soap, repackaged food items), they were generally weak at marketing their products and finding customers. Typically, they sold their products to visiting middlemen and made little profit from their work. FOOD provided training in marketing and the use of “social capital,” encouraging these groups to focus on production, marketing, or both. It also provided each group with a cell phone to facilitate contact between production and marketing groups, and between groups and customers. This is a simple way of applying widely available telecommunication technologies to a traditional micro-enterprise sector with a very high proportion of women’s participation. The target groups comprise of the local female artisans and semi-skilled workers who are currently living below the


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poverty line in and near Chennai.

4. Kudumbashree. It is a women-oriented community-based poverty reduction programme being implemented in Kerala by the State government, with the active support of the Government of India, National Bank for agriculture and Rural Development (NABARD), and UNICEF. Two bank-linked self-employment programmes of the Swarna Jayanti Shahari Rozgar Yojana (SISRY), namely Development of Women and Children in Urban Areas (DWCUA) and Urban Self Employment Programme (USEP), provide Kudumbashree with nominal financial resources to encourage beneficiaries of the project to set up micro-enterprises. More than 10,600 USEP micro-enterprises and 685 DWCUA micro-enterprises have already been generated in Kerala and the Kudumbashree project is gaining international recognition as well.

The mission statement of the Kudumbashree project is ‘to eradicate absolute poverty in 10 years through concerned community action under the leadership of local governments by facilitating organisation for the poor for combining self-help with demand-led convergence of available services and resources to tackle the multiple dimensions and manifestations of poverty holistically.

- Empowering the women among the poor to improve their individual and collective capabilities by organizing them into neighbourhood groups (NHGs) at the local level, area development societies (ADSs) at the ward level and community development societies (CDSs) at the local government level.
- Encouraging thrift and investment through credit by developing CDs to work as informal banks for the poor.
- Improving incomes of the poor through upgradation of vocational and managerial skills and creation of opportunities for self-employment and wage employment.

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10 [http://foodindia.org.in/projects.html](http://foodindia.org.in/projects.html)
At the local level, the identified families were organized into NHGs of 20 to 30 families. Each family in the NHG was represented by a woman. These NHGs of women were networked into Ads at the level of the Ward or electoral constituency. These ADSs were then federated into a CDS at the village panchayat or municipality level. There were also higher levels of networking at the level of the intermediate local government tier, viz., the block panchayat at the district level.

5.5.2.4 Mavim- Mahila Arthavikas Maha Mandal

The Maharashtra Rural Credit Programme was taken up by MAVIM in 1994 as a unique experiment in women’s empowerment. It came at a time when the cooperation was struggling to find an effective vehicle for bringing about women’s development in the state. The successful efforts elsewhere notably the Gramin Bank in Bangladesh, inspired MAVIM to take up the challenge of implementing the MRCP in the state. Thus what started as a banker’s programme, was transformed into a women’s development programme.

In 1994 MAVIM began implementing the IFAD assisted Maharashtra Rural Credit Programme(MRCP). The MRCP aims to establish a new strategy for rural poverty alleviation through

1. Improving financial services to poor & needy women.
2. Making a large majority of the rural poor bankable clients and
3. Promoting the savings habit with pooling of small amounts.

Thus, Micro enterprises have been identified as high potential sector for employee’s generation and source of livelihood to millions of people in Asian, African and Latin American countries. This is a global phenomenon, although its severity may be felt less in some places and more in others. Hence, there is a need for serious global thinking on how to ensure greater stability of small and Micro-enterprises, how to provide greater social security for those working in this sector, and at the same time, how to retain the dynamic force that drives this sector.
5.5.3 Government Schemes

During the course of secondary data collection it was noticed that only this urban poverty programme reached to urban poor. Therefore under the reach of government scheme only reach of SJSRY (USEP/DWCUA) in slums covered for empirical research covered in the present study. The Training component and reach of the programme was assessed to verify whether NGOs can be a viable option for implementation of the scheme in the city of Mumbai. Questions covered in gathering information about implementation of the scheme in their area of work and whether micro-entrepreneurs were aware and availed the benefits under the scheme.

5.5.3.1 Implementation of a specific scheme of GOI for the urban poor.

The Swarna Jayanti Shahari Rojgar Yojna (SJSRY) scheme\(^{11}\) was launched in December 1997. SJSRY seeks to provide gainful employment to the urban poor (living below the urban poverty line) unemployed or under-employed, through setting up of self-employment ventures or provision of wage employment. Inputs under the scheme are delivered through the community structures set up on UBSP\(^{12}\) pattern and Urban Local Bodies (ULBs). The scheme is funded on a 75:25 basis between the Centre and the States. The scheme was initiated to provide gainful employment to the urban poor by encouraging the setting-up of self-employment ventures or provision of wage employment and consists of two components, namely:

(i) The Urban Self-Employment Programmes (USEP) and
(ii) The Urban Wage Employment Programme (UWEP).

In this thesis only the USEP scheme is taken into account for analysis (USEP) - Assistance to individual urban poor beneficiaries for setting up gainful self-employment ventures. is done on the basis of the following

(i). Identification: A house-to-house survey for identification of genuine

\(^{11}\) The Ministry of Urban Development and Poverty Alleviation has the mandate for broad policy formulation and monitoring programmes on urban poverty.

\(^{12}\) urban Basic services programme
beneficiaries should be done. Non-economic parameters also should be applied to identify the urban poor in addition to the economic criteria of the urban poverty line. Community structures like Community Development Societies (CDS) should be involved in this task under the guidance of the Town Urban Poverty Eradication Cell (TUPEC)/Urban Local Bodies (ULBs).

(ii). Under-employed and unemployed urban youth whose annual family income is below the poverty line and who have got education up to ninth standard shall be assisted with bank's loan and Government subsidy.

(iii). Minimum/Maximum age limit: No age limit is prescribed.

(iv). Definition of family: Identification of the family will have to be done on the basis of independent kitchen.

(v). Coverage: SJSRY would be implemented in all areas falling under the jurisdiction of Urban Local bodies of any category, irrespective of population size.

(vi). Project cost: Project cost upto Rs 50000/- is provided under the scheme in case of individual. If two or more eligible persons join together in a partnership, the project with higher costs would also be covered provided the share of each person in the project cost is Rs 50 000/- or less.

(vii). Subsidy: Subsidy would be provided at the rate of 15% of the project cost, subject to a ceiling of Rs. 7500/- per beneficiary (for individual USEP). In case of more than one beneficiary join together and set a project under partnership, subsidy would be calculated for each partner separately at the rate of 15% of his share in the project cost limited to Rs 7500/- per partner.

(viii). Margin money: The borrower has to bring in 5 per cent of the project cost as margin money. Partnerships would be permitted wherein the overall project cost will be a simple sum of individual project cost allowable per borrower. Such project would be eligible for subsidy equal to the total permitted subsidy per person and each member would have to bring in 5 percent of his share of project cost as margin money.

(xi)Repayment: Repayment schedule ranges from 3 to 7 years, after initial moratorium of 6 to 18 months, as decided by the bank.
(x). Physical targets: Physical targets under the USEP of SJSRY will be decided by the State Governments in conformity with the guidelines of the scheme as also the result of beneficiary survey to ensure adequate flexibility of operation of the scheme.

(b) Development of Women and Children in Urban Areas (DWCUA)

i. Activities: The programme envisages special incentive to urban poor women who decide to set up self-employment ventures in a group. Such groups may take up any economic activity suited to their skill, training, aptitude and local conditions.

ii. Size of the Group: DWCUA group shall consist of at least 10 urban poor women and will be entitled to a subsidy of Rs. 1,25,000/- or 50 percent of the cost of project, whichever is less. Every effort should be made to encourage the group to set itself up as a thrift and credit society. iii. Loan component if the project cost is up to Rs 250000/-: The loan component would be, project cost less 50% subsidy and less margin money (5% of the project cost).

iv. Loan component if the project cost exceeds Rs 250000/-: No maximum ceiling is prescribed for the project cost. In cases where the project cost exceeds Rs. 2, 50,000/- for the DWCUA Group, the project cost less subsidy (Rs. 1,25,000/-) and margin money (at the rate of 5% of the project cost), would be the component of bank loan.

v. Margin money: 5 percent of the project cost will be contributed as margin money by the group as a whole.

vi. Repayment of loan: Same as under USEP for individual selfemployment.

vii. Income criteria: Each member of the Group should fulfil the urban poverty norms as per official methodology as decided by the Planning Commission. The beneficiaries under SJSRY will be identified on the basis of monthly per capita income and not by annual family income (Sarma, K.S.R.N (2004))

The Training Component provides skill development with stipend in a variety of service and manufacturing trades, including local skills and crafts which will enable beneficiaries to take up jobs or self-employment. Registered training institutions like Industrial Training Institutes, polytechnics, etc., run by government, private or non-government organisations are utilised for this. The Community Structure Component
provides a budget for working with other government agencies and departments to meet the needs of the community beyond those of incomes and jobs.

In Karnataka, the SJSRY is implemented by the State Directorate of Municipal Administration. The other stakeholders are the urban local body (Bangalore Mahanagara Palike Area Project Office), banks, training institutions, and non-government organizations. Janagraha is paying a leading role in implementing the scheme in Bangalore.

This study is restricted to assessing the reach of USEP (DWCUA)\textsuperscript{13} and evaluating the amount spent for training in the city of Mumbai. The researcher is of the opinion that NGOs act as a good vehicle to empower the marginalized in the society and this was reiterated when the USEP scheme under SJSRY scheme was implemented in Mumbai with the assistance of various NGOs like Apnalaya, SMS, BECC, REAP, YUVA, Yuvak prathishtan, SUPPORT and Prerana.

Conclusion
India will truly shine for its people only if the Government, NGOs and the corporate sector harnesses the local resources, skills and creates synergies, in order to yield a win-win situation for all. With little help from outside agencies, the weaker sections can acquire dignity, financial independence and stand on their own feet, thereby leading the country to the path of sustainable development.

Thus, by adopting the concept of Social Entrepreneurship, voluntary organizations can think in terms of adopting innovative ways of addressing the social problems by undertaking earned income strategies and constantly assessing the impact of its existing programmes. NGOs can definitely act as a harbinger of change, through Social Entrepreneurship approach.

\textsuperscript{13} DWCUA- Development of women and child in Urban areas This Scheme is distinguished by the special incentive extended to urban poor women who decide to set up self employment ventures in a group as opposed to individual enterprises. Group of urban poor women take up an economic activity suited to their skill, training, aptitude, and local conditions.